

THE COMMONWEALTH OF MASSACHUSETTS
CITY OF LOWELL

In City Council

LOAN ORDER
(General Fund Capital Improvements)

To borrow \$31,000,000 to pay costs of the various capital improvements and purchases as described below, any related architectural and engineering services in connection therewith and all other costs incidental and related thereto.

IT IS ORDERED BY THE CITY COUNCIL OF THE CITY OF LOWELL BY A TWO-THIRDS VOTE OF ALL OF ITS MEMBERS, as follows:

Ordered: That the sum of \$11,812,000 is appropriated to pay costs of the following building improvements: (1) upgrades to Cawley Stadium, (2) Pollard Memorial Library Boiler Replacement, (3) various school building improvements, (4) City Hall improvements, (5) JFK chiller replacement, (6) Senior Center Building improvements, (7) LMA Building improvements, (8) DPW Building improvements, (9) building improvements to fire houses, and (10) Public Safety Building improvements and equipment replacement.

Further Ordered: That the sum of \$3,757,000 is appropriated to pay costs of acquiring the following items of departmental equipment: (1) replacement of fire turnout gear, (2) new dive truck, (3) new firearms, (4) illegal dumping cameras, (5) various vehicles for the Fire Department, (6) new DPD vehicle, (7) DPW fleet/equipment replacement, and (8) City-wide network infrastructure upgrades.

Further Ordered: That the sum of \$1,500,000 is appropriated to pay costs of acquiring interests in land for the following purposes: (1) sidewalk vault abandonment program, and (2) housing/homelessness initiatives.

Further Ordered: That the sum of \$245,000 is appropriated to pay costs of the following park improvements: (1) connector trail, and (2) City-wide park improvements.

Further Ordered: That the sum of \$12,456,000 is appropriated to pay costs of the following paving, sidewalks and/or bridge improvements: (1) City-wide paving and bridge improvements, (2) ADA improvements, (3) City-wide sidewalk replacement, and (4) Cambodia Town infrastructure project.

Further Ordered: That the sum of \$1,230,000 is appropriated to pay costs of traffic improvement projects as follows: (1) signalization improvements, (2) roadway striping, (3) signage/wayfinding improvements, and (4) traffic calming and pedestrian safety improvements.

Further Ordered: That to meet the appropriations described herein, the Treasurer, with the approval of the City Manager, is authorized to borrow \$31,000,000 and to issue bonds or notes therefor under G.L. c. 44 or any other enabling authority; that the City Manager is authorized to contract for and expend any federal or state aid available for the projects; that the City Manager is authorized to take any action necessary to carry out the projects; and that the Treasurer is authorized to file an application with the Municipal Finance Oversight Board to qualify any or all of the bonds under G.L. c.44A and to provide such information and execute such documents as such board may require for these purposes.

ORDER RECOMMENDED AND INTRODUCED BY:

A handwritten signature in blue ink, appearing to read 'T. A. Golden, Jr.', is written over a horizontal line.

Thomas A. Golden, Jr., City Manager




Conor Baldwin
Chief Financial Officer

Austin Ball
Deputy CFO

MEMORANDUM

TO: Thomas A. Golden, Jr., City Manager

FROM: Conor Baldwin, Chief Financial Officer 

CC: Austin Ball, Deputy CFO

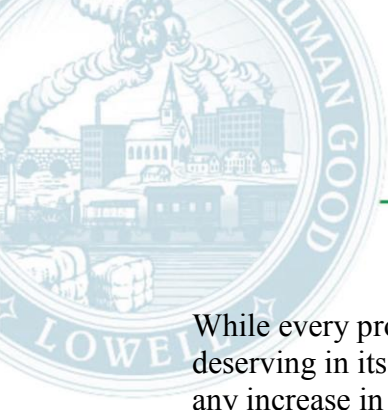
DATE: June 6th, 2023

SUBJECT: FY2024 – FY2028 Five Year Capital Improvement Plan

The 5-year CIP lays out the capital priorities for the City of Lowell for the next five years, but the projects proposed for funding are solely within the current fiscal year (FY2024). All additional projects are presented for discussion purposes only and will be reassessed depending on future funding needs and fiscal realities. Also, four other major capital investments are occurring concurrently with the advancement of the capital plan: the TIGER bridge project, Lord Overpass construction, and the Lowell High School project. TIGER is funded primarily through a federal TIGER grant, and the LHS is in construction. While the financing for these projects undoubtedly impacts the future operations of the city and carry significant budgetary considerations, the scale of these two projects and the size of funding other than city bond proceeds warrant separate discussion, outside of the capital improvement plan. The debt service impact is included in all forecast models for budget planning purpose.

The City of Lowell is positioned well to solidify its revitalization and through strategic investments in education, public safety, and infrastructure. By doing so, Lowell will jump-start the next wave of investment in our most valuable resource: our residents. The proposed investments in roads, buildings, traffic signalization improvements, cybersecurity, housing, / homelessness, public safety, and parks and recreation amenities dovetail nicely with available state and federal dollars destined for the city. Through this plan we are making a significant investment in the building and infrastructure improvements.

Older mill cities face unique challenges in combating urban decay and Lowell has, time and again, shown its leadership by encouraging redevelopment of historic buildings throughout the city. Unfortunately, the main thoroughfares of the city have continued to deteriorate and recent engineering studies of our Pavement Condition Index (PCI) have shown that repaving and repairing using only the funding allocated from the Commonwealth through the Chapter 90 program is insufficient. That is why the City Manager included an amount of \$9.1 million to be included in this capital plan request to the City Council. This is in addition to the approximately \$1.87 million appropriated by the Commonwealth through Chapter 90 for a total of over \$11 million in FY2024. The supplemental City appropriation allows us to also focus on unaccepted streets and preventative maintenance, providing greater flexibility for what streets can be paved and repaired.



Conor Baldwin
Chief Financial Officer

Austin Ball
Deputy CFO

While every project submission from Department Heads was worthy of consideration and deserving in its own right, our funding capacity is limited by the Administration's desire to keep any increase in residential and commercial taxes minimal. However, I am confident this capital request represents a set of initiatives that represent the priorities of the Administration and will not significantly burden the operating budget.

The basic criteria for a project to be included in the capital plan remained unchanged for FY2024. A project must cost at least \$25,000 and it must have a useful life of at least five years. The project itself can be an improvement to land, buildings or infrastructure, or it can be for vehicles or equipment. Generally, allowable purposes for municipal borrowing are authorized by statute in G.L. c. 44 s. 7-8. We waived the \$25,000 requirement for vehicles, since we often need many at one time. We have excluded police cruisers from the capital since cruisers only have a life of two to three years and are purchased through the operating budget on a pay-as-you-go basis.

The following are the key criteria that are used to prioritize each project:

- The level of effect on public health & safety
- Whether the project is mandated now, or could be in the future
- Effect on operating costs
- Whether the project fits in with the City Manager's strategic goals
- The level of external funding available to leverage City resources
- Impact on economic development
- Financial return or cost
- Potential public support or opposition
- Breadth of benefit based on the population served
- Priority given by the submitting department
- Whether the project is a prerequisite to another project

As part of this year's Capital Plan, it my intent and philosophy to empower the various department heads in the City. My finance team asked the various departments to update their list of priorities based on the aforementioned criteria. The department heads are the most knowledgeable in their particular area and are best suited to decide what infrastructure and equipment needs associated with their department are most vital to helping the city thrive. They were given broad guidelines on what we were looking to accomplish this year as well as an estimate of what was financially feasible. Their submissions were reviewed and weighed based on the above set criteria as well as how they fit into the City's overall focus on infrastructure and the three pillars of public safety, education, and economic development. Each department head was tasked with reviewing the existing projects submitted in prior years and submitting any new projects for funding, while prioritizing all capital requests which fall under their department's purview.

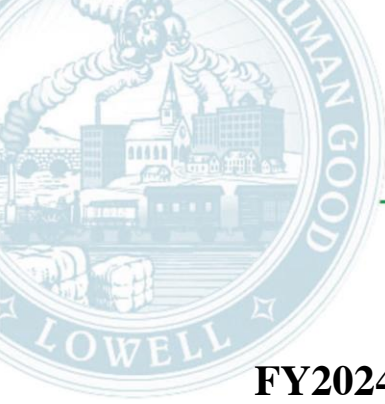


Conor Baldwin
Chief Financial Officer

Austin Ball
Deputy CFO

In general, our primary focus this year is on infrastructure projects with “curb appeal.” By that we mean those projects that enhance the physical appearance of the City. Other projects that have been selected for funding are in the areas of public safety, education, or economic development. Capital planning is critical to maintaining essential public services. It is also an important component of a community’s economic development program and strategic plan. Capital facilities and infrastructure are important legacies that serve current and future generations. It is extremely difficult for governments to address the current and long-term needs of their constituents without a sound multi-year capital plan that clearly identifies capital and major equipment needs, maintenance requirements, funding options, and operating budget impacts. The debt service payments related to financing all of these projects have been incorporated into our General Fund forecasts.

Enclosed is a selection from the Capital Plan section of the FY2024 budget which more fully analyzes the financial components of the updated capital plan. Please let me know if there are any questions.

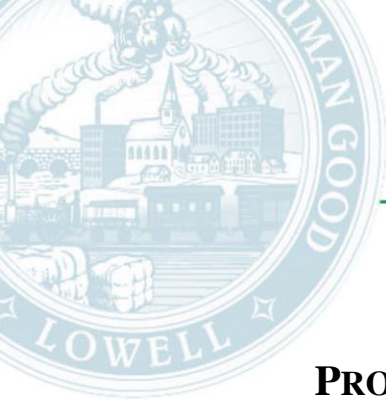


Conor Baldwin
Chief Financial Officer

Austin Ball
Deputy CFO

FY2024 CAPITAL PROJECTS – CITY SHARE ONLY (SUMMARY)

PROJECT	PROJECT DESCRIPTION	FY24 COST
2024-01	IT/CYBERSECURITY INFRASTRUCTURE	\$1,280,000
2024-02	AMERICANS WITH DISABILITIES ACT (“ADA”) CAPITAL IMPROVEMENTS	\$1,868,635
2024-03	CITY-WIDE PAVING PROGRAM	\$9,187,365
2024-04	CAMBODIA TOWN INFRASTRUCTURE PROJECT	\$1,250,000
2024-05	SIDEWALK VAULT ABANDONMENT PROGRAM	\$500,000
2024-06	TRAFFIC SIGNALIZATION	\$800,000
2024-07	MASTER PLAN IMPLEMENTATION - WAYFINDING	\$250,000
2024-08	CONNECTOR TRAIL	\$150,000
2024-09	TRAFFIC CALMING AND PEDESTRIAN SAFETY	\$100,000
2024-10	ROAD STRIPING	\$80,000
2024-11	ILLEGAL DUMPING - CAMERAS	\$65,000
2024-12	BUILDING COMMISSION VEHICLE	\$60,000
2024-13	SENIOR CENTER IMPROVEMENTS	\$450,000
2024-14	POLLARD MEMORIAL LIBRARY BOILER	\$275,000
2024-15	DPW VEHICLE/EQUIPMENT REPLACEMENT PROGRAM	\$1,349,000
2024-16	VARIOUS SCHOOL BUILDING IMPROVEMENTS	\$3,850,000
2024-17	CITY HALL IMPROVEMENTS	\$1,465,000
2024-18	CHILLER REPLACEMENT – JFK PLAZA	\$500,000
2024-19	LMA BUILDING IMPROVEMENTS	\$450,000
2024-20	DPW BUILDING /LANDFILL IMPROVEMENTS	\$2,122,000
2024-21	MCPHERSON AND ST. LOUIS PARK IMPROVEMENTS	\$95,000
2024-22	CITY-WIDE SIDEWALK REPLACEMENT	\$150,000
2024-23	BUILDING IMPROVEMENTS (FIRE HOUSES)	\$300,000
2024-24	TURNOUT GEAR - LFD	\$215,000
2024-25	VEHICLE REPLACEMENT - LFD	\$250,000
2024-26	CONSTRUCTION IMPROVEMENTS	\$400,000
2024-27	AFC GRANT MATCH	\$50,000
2024-28	PURCHASE OF NEW FIREARMS (LPD)	\$488,000
2024-29	CAWLEY STADIUM IMPROVEMENTS	\$2,000,000
2024-30	HOUSING AND HOMELESSNESS INITIATIVES	\$1,000,000
TOTAL		\$31,000,000



Conor Baldwin
Chief Financial Officer

Austin Ball
Deputy CFO

PROPOSED CAPITAL PROJECTS – FIVE YEAR OUTLOOK

YEAR 1 – FY2024 (CURRENT YEAR)

Project Number	Category	Department	Project Description	Projected Term (Years)	Total Project Cost	2024	2025	2026	2027	2028
2024-01	Departmental Equipment	MIS	IT / Cyber Security Infrastructure	15	\$ 1,280,000	\$ 1,280,000	\$ -	\$ -	\$ -	\$ -
2024-03	Paving / Roadway	DPW/ Engineering	Citywide Paving Program	30	\$ 45,936,825	\$ 9,187,365	\$ 9,187,365	\$ 9,187,365	\$ 9,187,365	\$ 9,187,365
2024-02	Infrastructure	Planning and Development (DPD)	ADA Transition Plan and Design	30	\$ 9,343,175	\$ 1,868,635	\$ 1,868,635	\$ 1,868,635	\$ 1,868,635	\$ 1,868,635
2024-04	Infrastructure	Planning and Development (DPD)	Cambodiatown Infrastructure Project	30	\$ 1,250,000	\$ 1,250,000	\$ -	\$ -	\$ -	\$ -
2024-05	Infrastructure	Planning and Development (DPD)	Sidewalk Vault Abandonment Program	15	\$ 750,000	\$ 500,000	\$ 250,000	\$ -	\$ -	\$ -
2024-06	Traffic Signalization	Planning and Development (DPD)	Traffic Signalization - Westford and Steman	15	\$ 800,000	\$ 800,000	\$ -	\$ -	\$ -	\$ -
2024-07	Planning/ Master Plan	Planning and Development (DPD)	Master Plan Implementation - Wayfinding	15	\$ 500,000	\$ 250,000	\$ 250,000	\$ -	\$ -	\$ -
2024-08	Parks & Open Space	Planning and Development (DPD)	Connector Trail	15	\$ 150,000	\$ 150,000	\$ -	\$ -	\$ -	\$ -
2024-09	Traffic Signalization	Planning and Development (DPD)	Traffic Calming and Pedestrian Safety	15	\$ 150,000	\$ 100,000	\$ -	\$ -	\$ -	\$ -
2024-10	Paving / Roadway	Planning and Development (DPD)	Roadway Stripping	15	\$ 320,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ -
2024-11	Departmental Equipment	Planning and Development (DPD)	Illegal Dumping - Cameras	15	\$ 65,000	\$ 65,000	\$ -	\$ -	\$ -	\$ -
2024-12	Departmental Equipment	Planning and Development (DPD)	Building Commissioner Vehicle	15	\$ 60,000	\$ 60,000	\$ -	\$ -	\$ -	\$ -
2024-13	Building Improvements	DPW / COA	Senior Center Improvements	30	\$ 450,000	\$ 450,000	\$ -	\$ -	\$ -	\$ -
2024-14	Building Improvements	DPW / Library	Pollard Memorial Library Boiler	15	\$ 275,000	\$ 275,000	\$ -	\$ -	\$ -	\$ -
2024-15	Departmental Equipment	DPW	Vehicle Fleet Replacement	15	\$ 1,349,000	\$ 1,349,000	\$ -	\$ -	\$ -	\$ -
2024-16	Building Improvements	DPW/ Lowell Public Schools	Various School Building Improvements	30	\$ 3,850,000	\$ 3,850,000	\$ -	\$ -	\$ -	\$ -
2024-17	Building Improvements	DPW	City Hall Improvements	30	\$ 1,465,000	\$ 1,465,000	\$ -	\$ -	\$ -	\$ -
2024-18	Building Improvements	DPW	Chiller Replacement - JFK Plaza	15	\$ 500,000	\$ 500,000	\$ -	\$ -	\$ -	\$ -
2024-19	Building Improvements	DPW/ LMA	LMA Building Improvements	30	\$ 450,000	\$ 450,000	\$ -	\$ -	\$ -	\$ -
2024-20	Building Improvements	DPW	DPW Building / Landfill Improvements	30	\$ 2,122,000	\$ 2,122,000	\$ -	\$ -	\$ -	\$ -
2024-21	Parks & Open Space	DPW	Mcpherson and St. Louis Park Improvements	15	\$ 95,000	\$ 95,000	\$ -	\$ -	\$ -	\$ -
2024-22	Paving / Roadway	DPW / Engineering	City-Wide Sidewalk Replacement	30	\$ 150,000	\$ 150,000	\$ -	\$ -	\$ -	\$ -
2024-23	Building Improvements	Lowell Fire Department	Building Improvements (Firehouses)	30	\$ 300,000	\$ 300,000	\$ -	\$ -	\$ -	\$ -
2024-24	Departmental Equipment	Lowell Fire Department	Turn-out Gear	15	\$ 215,000	\$ 215,000	\$ -	\$ -	\$ -	\$ -
2024-25	Departmental Equipment	Lowell Fire Department	Vehicle Replacements	15	\$ 250,000	\$ 250,000	\$ -	\$ -	\$ -	\$ -
2024-26	Building Improvements	Lowell Fire Department	Various Construction Improvements	30	\$ 400,000	\$ 400,000	\$ -	\$ -	\$ -	\$ -
2024-27	Departmental Equipment	Lowell Fire Department	Vehicle Replacement - New Dive Truck	15	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -
2024-28	Departmental Equipment	Lowell Police Department	Purchase New Firearms / Ammunition	15	\$ 488,000	\$ 488,000	\$ -	\$ -	\$ -	\$ -
2024-29	Building Improvements	Planning and Development (DPD)	Cawley Stadium Improvements	30	\$ 2,000,000	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -
2024-20	Community Maintenance	Health and Human Services	Housing / Homeslessness Initiatives	15	\$ 1,000,000	\$ 1,000,000				
FY2024 TOTAL						\$ 31,000,000				



Conor Baldwin
Chief Financial Officer

Austin Ball
Deputy CFO

YEAR 2 – FY2025

Project Number	Category	Department	Project Description	Projected Term (Years)	Total Project Cost	2024	2025	2026	2027	2028
2025-01	Infrastructure	Planning and Development (DPD)	ADA Transition Plan and Design	30	\$ 1,868,635	\$ -	\$ 1,868,635	\$ -	\$ -	\$ -
2025-02	Paving/ Roadway	DPW/ Engineering	Citywide Paving Program	30	\$ 9,187,365	\$ -	\$ 9,187,365	\$ -	\$ -	\$ -
2025-03	Paving/ Roadway	Planning and Development (DPD)	Roadway Striping	15	\$ 80,000	\$ -	\$ 80,000	\$ -	\$ -	\$ -
2025-04	Infrastructure	Planning and Development (DPD)	Sidewalk Vault Abandonment Program	15	\$ 250,000	\$ -	\$ 250,000	\$ -	\$ -	\$ -
2025-05	Infrastructure	Planning and Development (DPD)	Master Plan Implementation - Wayfinding	15	\$ 250,000	\$ -	\$ 250,000	\$ -	\$ -	\$ -
2025-06	Traffic Signalization	Planning and Development (DPD)	Pedestrian and Intersection Infrastructure	15	\$ 400,000	\$ -	\$ 400,000	\$ -	\$ -	\$ -
2025-07	Infrastructure	Planning and Development (DPD)	Cambodiatown Infrastructure Project	30	\$ 1,250,000	\$ -	\$ 1,250,000	\$ -	\$ -	\$ -
2025-08	Building Improvements	Planning and Development (DPD)	Cawley Stadium Improvements	30	\$ 3,000,000	\$ -	\$ 3,000,000	\$ -	\$ -	\$ -
2025-09	Public Safety	Lowell Fire Department	Building Improvements (Firehouses)	30	\$ 300,000	\$ -	\$ 300,000	\$ -	\$ -	\$ -
2025-10	Building Improvements	DPW/ Lands & Buildings	DPW Roof Replacement	15	\$ 500,000	\$ -	\$ 500,000	\$ -	\$ -	\$ -
FY2025 SUBTOTAL					16,286,000	-	17,086,000			
PRIOR YEAR PROJECTS FUNDED IN FY2024 SUBTOTAL							11,636,000			
GRAND TOTAL FY2025							28,722,000			

YEAR 3 – FY2026

Project Number	Category	Department	Project Description	Projected Term (Years)	Total Project Cost	2024	2025	2026	2027	2028
2026-01	Infrastructure	Planning and Development (DPD)	ADA Transition Plan and Design	30	\$ 1,868,635	\$ -	\$ -	\$ 1,868,635	\$ -	\$ -
2026-02	Paving/ Roadway	DPW/ Engineering	Citywide Paving Program	30	\$ 9,187,365	\$ -	\$ -	\$ 9,187,365	\$ -	\$ -
2026-03	Paving/ Roadway	Planning and Development (DPD)	Roadway Striping	15	\$ 80,000	\$ -	\$ -	\$ 80,000	\$ -	\$ -
2026-04	Infrastructure	Planning and Development (DPD)	Sidewalk Vault Abandonment Program	15	\$ 250,000	\$ -	\$ -	\$ 250,000	\$ -	\$ -
2026-05	Traffic Signalization	Planning and Development (DPD)	Pedestrian and Intersection Infrastructure	15	\$ 400,000	\$ -	\$ -	\$ 400,000	\$ -	\$ -
2026-06	Building Improvements	Planning and Development (DPD)	Cawley Stadium Improvements	30	\$ 3,000,000	\$ -	\$ -	\$ 3,000,000	\$ -	\$ -
FY2026 TOTAL					14,786,000	-	-	14,786,000		
PRIOR YEAR PROJECTS FUNDED IN FY2025 SUBTOTAL								11,136,000		
GRAND TOTAL FY2026								25,922,000		



Conor Baldwin
Chief Financial Officer

Austin Ball
Deputy CFO

YEAR 4 – FY2027

Project Number	Category	Department	Project Description	Projected Term (Years)	Total Project Cost	2024	2025	2026	2027	2028
2027-01	Infrastructure	Planning and Development (DPD)	ADA Transition Plan and Design	30	\$ 1,868,635	\$ -	\$ -	\$ -	\$ 1,868,635	\$ -
2027-02	Paving/ Roadway	DPW/ Engineering	Citywide Paving Program	30	\$ 9,187,365	\$ -	\$ -	\$ -	\$ 9,187,365	\$ -
2027-03	Paving/ Roadway	Planning and Development (DPD)	Roadway Striping	15	\$ 80,000	\$ -	\$ -	\$ -	\$ 80,000	\$ -
2027-04	Infrastructure	Planning and Development (DPD)	Sidewalk Vault Abandonment Program	15	\$ 250,000	\$ -	\$ -	\$ -	\$ 250,000	\$ -
2027-05	Traffic Signalization	Planning and Development (DPD)	Pedestrian and Intersection Infrastructure	15	\$ 400,000	\$ -	\$ -	\$ -	\$ 400,000	\$ -
2027-06	Parks & Open Spaces	Planning and Development (DPD)	St. Louis MVP Grant Match	15	\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000	\$ -
2027-07	Building Improvements	Public Works - Admin	DPW Admin Building - Additional Storage	30	\$ 900,000				\$ 900,000	\$ -
2027-07	Building Improvement	Public Works - Lands & Buildings	Various School Generator/ Fire Alarms	15	\$ 310,000				\$ 310,000	\$ -
2027-17	Building Improvement	School Department	Bartlett School Bathroom Reconfiguration	30	\$ 40,000				\$ 40,000	\$ -
2027-08	Parks & Open Spaces	Planning and Development (DPD)	Greening JFK Plaza	15	\$ 3,000,000	\$ -	\$ -	\$ -	\$ 3,000,000	\$ -
FY2027 TOTAL					16,536,000	-	-	-	16,536,000	
PRIOR YEAR PROJECTS FUNDED IN FY2026 SUBTOTAL									11,136,000	
GRAND TOTAL FY2027									27,672,000	

YEAR 5 – FY2028

Project Number	Category	Department	Project Description	Projected Term (Years)	Total Project Cost	2024	2025	2026	2027	2028
2028-01	Infrastructure	Planning and Development (DPD)	ADA Transition Plan and Design	30	\$ 1,868,635	\$ -	\$ -	\$ -	\$ -	\$ 1,868,635
2028-02	Department Equipment	Fire Department	Replace Fire Apparatus - Ladder	30	\$ 850,000					\$ 850,000
2028-03	Infrastructure	Planning and Development	City Wide Bicycle/ Pedestrian Plan	15	\$ 75,000					\$ 75,000
2028-04	Paving/ Roadway	DPW/ Engineering	Citywide Paving Program	30	\$ 9,187,365	\$ -	\$ -	\$ -	\$ -	\$ 9,187,365
FY2028 TOTAL					11,981,000	-	-	-	-	11,981,000
PRIOR YEAR PROJECTS FUNDED IN FY2027 SUBTOTAL										11,056,000
GRAND TOTAL FY2028										23,037,000



Conor Baldwin
Chief Financial Officer

Austin Ball
Deputy CFO

FINANCIAL ANALYSIS

One financing strategy for capital plans is to use the budgetary capacity created by paying off existing debt to issue more bonds to finance capital projects. In theory this accomplishes two objectives. First by financing capital with debt, it matches payments for the asset with the useful life of the asset itself. Secondly, by replacing a declining expense with a new expense, the operating budget is not burdened further. The number we will arrive at as the “target debt service” would represent a net zero impact on the General Fund.

To begin these calculations, we start with the forecast of current debt service and deduct ongoing reimbursements from the Massachusetts School Building Authority (“MSBA”). From this, we arrive at our target debt service number for the next five years. Next, we include potential savings forecasted from issuing refunding bonds. This occurs when new debt is issued to replace or redeem old debt before the maturity or call date of the old debt. Under these circumstances, the proceeds of the new debt must be placed in escrow and used to pay interest on old, outstanding debt as it becomes due, and to pay the principal on the old debt either as it matures or at an earlier call date. While Lowell has already taken advantage of many refunding opportunities, there are additional prospects being pursued currently by the City Administration which will reduce future debt service costs. These savings are incorporated in the model presented below.

The analysis includes previously authorized capital expenditures which have been spent, but not permanently financed. These future costs are layered into the analysis to provide a more accurate forecast, including all financial considerations. A less attractive, but more generous strategy is to perform the same calculations, but to assume that the City’s budget has the capacity to increase at 2 ½% per year. This is consistent with Proposition 2 ½ and with the long-term historical revenue growth. Along the bottom line of the chart, the revised target includes an increase of 2.5% of the prior year’s forecasted debt service for comparison. The capital planning process has run concurrently with preparations for the upcoming year’s operating budget. The symbiotic relationship between capital planning and preparation of the operating budget has long-since been a goal of the city, which has finally come to fruition.

Preparation of a five-year capital improvement plan (CIP) is a best practice in municipal finance. Department Heads were asked to submit their short and medium term priorities to the Finance Office this spring for consideration and inclusion in a comprehensive plan. Buildings, infrastructure, technology, and major equipment are the physical foundation for providing services to constituents. The procurement, construction, and maintenance of capital assets are a critical activity of state and local governments, school districts, and other government agencies, and therefore require careful planning

Capital planning is critical to maintaining essential public services. It is also an important component of a community’s economic development program and strategic plan. Capital facilities and infrastructure are important legacies that serve current and future generations. It is extremely difficult for governments to address the current and long-term needs of their



Conor Baldwin
Chief Financial Officer

constituents without a sound multi-year capital plan that clearly identifies capital and major equipment needs, maintenance requirements, funding options, and operating budget impacts. The debt service payments related to financing all of these projects have been incorporated into our General Fund forecasts. Please refer to the forecasts for each individual major operating fund, in the Financial Overview section of this budget, for detail.

Austin Ball
Deputy CFO

FY2024 CIP FINANCING PLAN - ALL FUNDING SOURCES

Approved FY23	PROGRAM EXPENDITURES	Budget FY24
42,017,011	INFRASTRUCTURE	27,220,635
1,589,935	PUBLIC SAFETY	1,503,000
1,550,000	COMMUNITY DEVELOPMENT	2,590,000
475,000	VEHICLE REPLACEMENT	1,659,000
45,631,946		32,972,635

Approved FY23	FINANCING PLAN	Budget FY24
1,877,841	CHAPTER 90 (HIGHWAY)	1,872,635
13,389,750	FHWA - TIGER GRANT	-
2,000,000	UMASS LOWELL MASTER AGREEMENT	-
29,935	STATE PUBLIC SAFETY GRANT (EOPPS)	-
540,000	ASSISTANCE FOR FIREFIGHTERS (AFG) GRANT	50,000
6,100,000	MASSDOT FUNDING	-
1,347,623	LEGAL SETTLEMENTS	-
200,000	LEGISLATIVE EARMARK	-
-	UBER/ LYFT RIDE ASSESSMENT FUND	50,000
7,208,121	PREVIOUSLY FUNDED - CITY CAPITAL	-
25,176	AMERICAN RESCUE PLAN	-
12,913,500	GENERAL FUND - BOND PROCEEDS	31,000,000
45,631,946		32,972,635



Conor Baldwin
Chief Financial Officer

Austin Ball
Deputy CFO

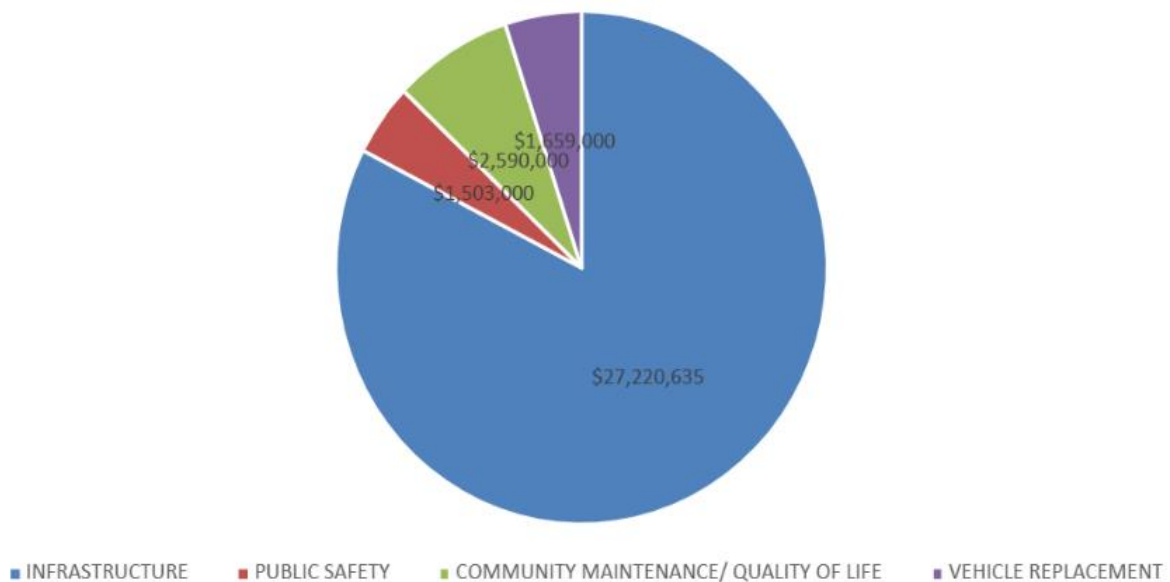
TOTAL PROJECT COSTS (ALL FUNDING SOURCES)		
PROJECT DESCRIPTION	COST	CATEGORY
IT/CYBERSECURITY INFRASTRUCTURE	\$ 1,280,000	INFRASTRUCTURE
AMERICANS WITH DISABILITIES ACT ("ADA") IMPROVEMENTS	\$ 1,868,635	INFRASTRUCTURE
PAVING & BRIDGES (CITY-WIDE)	\$ 11,060,000	INFRASTRUCTURE
VARIOUS UPGRADES TO CAWLEY STADIUM	\$ 2,000,000	INFRASTRUCTURE
CITY-WIDE SIDEWALK REPLACEMENT	\$ 150,000	INFRASTRUCTURE
CAMBODIA TOWN INFRASTRUCTURE PROJECT	\$ 1,250,000	INFRASTRUCTURE
SIDEWALK VAULT ABANDONMENT PROGRAM	\$ 500,000	INFRASTRUCTURE
POLLARD MEMORIAL LIBRARY BOILER REPLACEMENT	\$ 275,000	INFRASTRUCTURE
VARIOUS SCHOOL BUILDING IMPROVEMENTS	\$ 3,850,000	INFRASTRUCTURE
CITY HALL IMPROVEMENTS	\$ 1,465,000	INFRASTRUCTURE
JFK CHILLER REPLACEMENT	\$ 500,000	INFRASTRUCTURE
SENIOR CENTER BUILDING IMPROVEMENTS	\$ 450,000	INFRASTRUCTURE
LMA BUILDING IMPROVEMENTS	\$ 450,000	INFRASTRUCTURE
DPW BUILDING IMPROVEMENTS	\$ 2,122,000	INFRASTRUCTURE
BUILDING IMPROVEMENTS TO FIRE HOUSES	\$ 300,000	PUBLIC SAFETY
REPLACE TURNOUT GEAR	\$ 215,000	PUBLIC SAFETY
PURCHASE NEW DIVE TRUCK	\$ 100,000	PUBLIC SAFETY
PUBLIC SAFETY BUILDING IMPROVEMENTS & EQUIPMENT REPLACEMENT	\$ 400,000	PUBLIC SAFETY
NEW FIREARMS AND AMMUNITION	\$ 488,000	PUBLIC SAFETY
TRAFFIC SIGNALIZATION	\$ 800,000	COMMUNITY MAINT/DEV.
ILLEGAL DUMPING - CAMERAS	\$ 65,000	COMMUNITY MAINT/DEV.
CITY PARK IMPROVEMENTS	\$ 95,000	COMMUNITY MAINT/DEV.
ROADWAY STRIPING (PHASE 1 OF 3)	\$ 80,000	COMMUNITY MAINT/DEV.
SIGNAGE/ WAYFINDING - INFRASTRUCTURE IMPROVEMENTS	\$ 250,000	COMMUNITY MAINT/DEV.
CONNECTOR TRAIL	\$ 150,000	COMMUNITY MAINT/DEV.
TRAFFIC CALMING AND PEDERTRIAN SAFETY	\$ 150,000	COMMUNITY MAINT/DEV.
HOUSING / HOMELESSNESS INITIATIVES	\$ 1,000,000	COMMUNITY MAINT/DEV.
PURCHASE NEW VEHICLES - FIRE DEPT.	\$ 250,000	VEHICLE REPLACEMENT
NEW VEHICLE - DPD	\$ 60,000	VEHICLE REPLACEMENT
DPW FLEET/ EQUIPMENT REPLACEMENT	\$ 1,349,000	VEHICLE REPLACEMENT
TOTAL CAPITAL PROJECTS - ALL FUNDING SOURCES	\$ 32,972,635	



Conor Baldwin
Chief Financial Officer

Austin Ball
Deputy CFO

FY2024 CAPITAL APPROPRIATIONS BY CATEGORY





Conor Baldwin
Chief Financial Officer

Austin Ball
Deputy CFO

PROJECT COSTS - 2024 CAPITAL BUDGET (LOCAL FUNDING ONLY)

PROJECT DESCRIPTION	COST	CATEGORY
IT/CYBERSECURITY INFRASTRUCTURE	1,280,000	INFRASTRUCTURE
AMERICANS WITH DISABILITIES ACT ("ADA") IMPROVEMENTS	1,868,635	INFRASTRUCTURE
PAVING & BRIDGES (CITY-WIDE)	9,187,365	INFRASTRUCTURE
VARIOUS UPGRADES TO CAWLEY STADIUM	2,000,000	INFRASTRUCTURE
CITY-WIDE SIDEWALK REPLACEMENT	150,000	INFRASTRUCTURE
CAMBODIA TOWN INFRASTRUCTURE PROJECT	1,250,000	INFRASTRUCTURE
SIDEWALK VAULT ABANDONMENT PROGRAM	500,000	INFRASTRUCTURE
POLLARD MEMORIAL LIBRARY BOILER REPLACEMENT	275,000	INFRASTRUCTURE
VARIOUS SCHOOL BUILDING IMPROVEMENTS	3,850,000	INFRASTRUCTURE
CITY HALL IMPROVEMENTS	1,465,000	INFRASTRUCTURE
JFK CHILLER REPLACEMENT	500,000	INFRASTRUCTURE
SENIOR CENTER BUILDING IMPROVEMENTS	450,000	INFRASTRUCTURE
LMA BUILDING IMPROVEMENTS	450,000	INFRASTRUCTURE
DPW BUILDING IMPROVEMENTS	2,122,000	INFRASTRUCTURE
BUILDING IMPROVEMENTS TO FIRE HOUSES	300,000	PUBLIC SAFETY
REPLACE TURNOUT GEAR	215,000	PUBLIC SAFETY
PURCHASE NEW DIVE TRUCK	50,000	PUBLIC SAFETY
PUBLIC SAFETY BUILDING IMPROVEMENTS & EQUIPMENT REPLACEMENT	400,000	PUBLIC SAFETY
NEW FIREARMS AND AMMUNITION	488,000	PUBLIC SAFETY
TRAFFIC SIGNALIZATION	800,000	COMMUNITY MAINT/DEV.
ILLEGAL DUMPING - CAMERAS	65,000	COMMUNITY MAINT/DEV.
CITY PARK IMPROVEMENTS	95,000	COMMUNITY MAINT/DEV.
ROADWAY STRIPING (PHASE 1 OF 3)	80,000	COMMUNITY MAINT/DEV.
SIGNAGE/ WAYFINDING - INFRASTRUCTURE IMPROVEMENTS	250,000	COMMUNITY MAINT/DEV.
CONNECTOR TRAIL	150,000	COMMUNITY MAINT/DEV.
TRAFFIC CALMING AND PEDERTRIAN SAFETY	100,000	COMMUNITY MAINT/DEV.
HOUSING / HOMELESSNESS INITIATIVES	1,000,000	COMMUNITY MAINT/DEV.
PURCHASE NEW VEHICLES - FIRE DEPT.	250,000	VEHICLE REPLACEMENT
NEW VEHICLE - DPD	60,000	VEHICLE REPLACEMENT
DPW FLEET/ EQUIPMENT REPLACEMENT	1,349,000	VEHICLE REPLACEMENT
TOTAL CAPITAL PROJECTS - ALL FUNDING SOURCES	\$ 31,000,000	



Conor Baldwin
Chief Financial Officer

Austin Ball
Deputy CFO

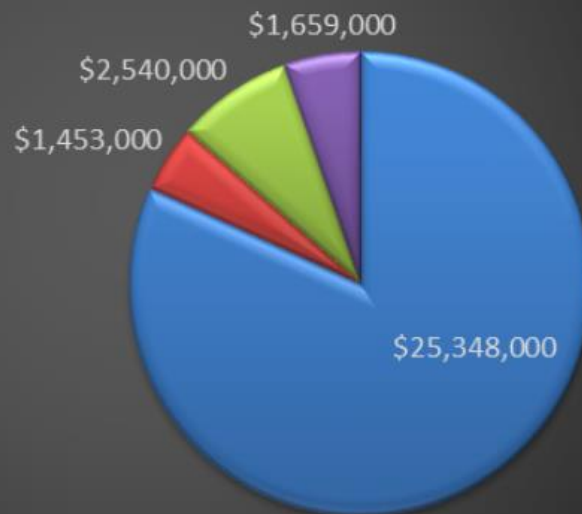
FY24 Capital Plan Investments - City Share Only

INFRASTRUCTURE

PUBLIC SAFETY

COMMUNITY
MAINTENANCE/ QUALITY OF
LIFE

VEHICLE REPLACEMENT





Conor Baldwin
Chief Financial Officer

Austin Ball
Deputy CFO

Fiscal Year	Total Amounts to Be Raised	Annual Growth Rate	Compounded Annual Growth Factor ("CAGF")
2008	\$ 308,711,540	Na	2.8%
2009	\$ 318,636,488	3.21%	
2010	\$ 308,847,270	-3.07%	
2011	\$ 311,646,472	0.91%	
2012	\$ 321,111,145	3.04%	
2013	\$ 328,095,926	2.18%	
2014	\$ 342,975,498	4.54%	
2015	\$ 364,130,698	6.17%	
2016	\$ 358,051,834	-1.67%	
2017	\$ 365,886,534	2.19%	
2018	\$ 376,248,783	2.83%	
2019	\$ 391,858,652	4.15%	
2020	\$ 407,340,917	3.95%	
2021	\$ 432,424,652	6.16%	
2022	\$ 457,479,382	5.79%	
2023	\$ 470,514,334	2.85%	
2024	\$ 483,920,691	2.85%	
2025	\$ 497,709,035	2.85%	
2026	\$ 511,890,250	2.85%	
2027	\$ 526,475,530	2.85%	
2028	\$ 541,476,388	2.85%	
2029	\$ 556,904,665	2.85%	
2030	\$ 572,772,540	2.85%	
2031	\$ 589,092,539	2.85%	
2032	\$ 605,877,542	2.85%	



Conor Baldwin
Chief Financial Officer

Austin Ball
Deputy CFO

Fiscal Year	Existing Net Debt Service Obligation (ALL FUNDS)	Projected Budgeted Revenue	Debt Service as a Percentage (%) of Projected Budgeted Revenue
2023	\$ 27,008,966	\$ 470,514,334	5.74%
2024	\$ 26,081,516	\$ 483,920,691	5.39%
2025	\$ 25,767,561	\$ 497,709,035	5.18%
2026	\$ 24,268,713	\$ 511,890,250	4.74%
2027	\$ 23,683,251	\$ 526,475,530	4.50%
2028	\$ 23,044,236	\$ 541,476,388	4.26%
2029	\$ 20,127,789	\$ 556,904,665	3.61%
2030	\$ 19,325,996	\$ 572,772,540	3.37%
2031	\$ 17,584,318	\$ 589,092,539	2.98%
2032	\$ 16,095,735	\$ 605,877,542	2.66%



Conor Baldwin
Chief Financial Officer

Austin Ball
Deputy CFO

FINANCIAL ANALYSIS – DEBT LIMIT CALCULATIONS

DEBT LIMIT CALCULATION

Equalized Valuation as of January 1, 2020	\$ 9,848,176,600
Debt Limit (5% of Equalized Valuation)	\$ 492,408,830
Total Outstanding Debt as of June 30, 2021 ²	\$ 297,598,932
Total Authorized/ Unissued Debt as of June 30, 2020 (Approximate)	\$ 445,871,284 ³
Total Outstanding Debt Plus Total Authorized/ Unissued Debt	\$ 743,470,216
Amount of Outstanding Debt Outside the Debt Limit	\$ 96,847,334
Appx. Amount of Authorized/ Unissued Debt Outside the Debt Limit	\$ 417,616,340
Outstanding Debt plus Authorized/ Unissued Outside the Debt Limit	\$ 514,463,674
Total Outstanding Debt Plus Total Authorized/ Unissued Debt	\$ 743,470,216
Less: Outstanding Debt plus Authorized/ Unissued Outside the Debt Limit	\$ 514,463,674
Debt Subject to the Debt Limit	\$ 229,006,542
Debt Limit (5% of Equalized Valuation)	\$ 492,408,830
Remaining Borrowing Capacity Under Debt Limit	\$ 263,402,288



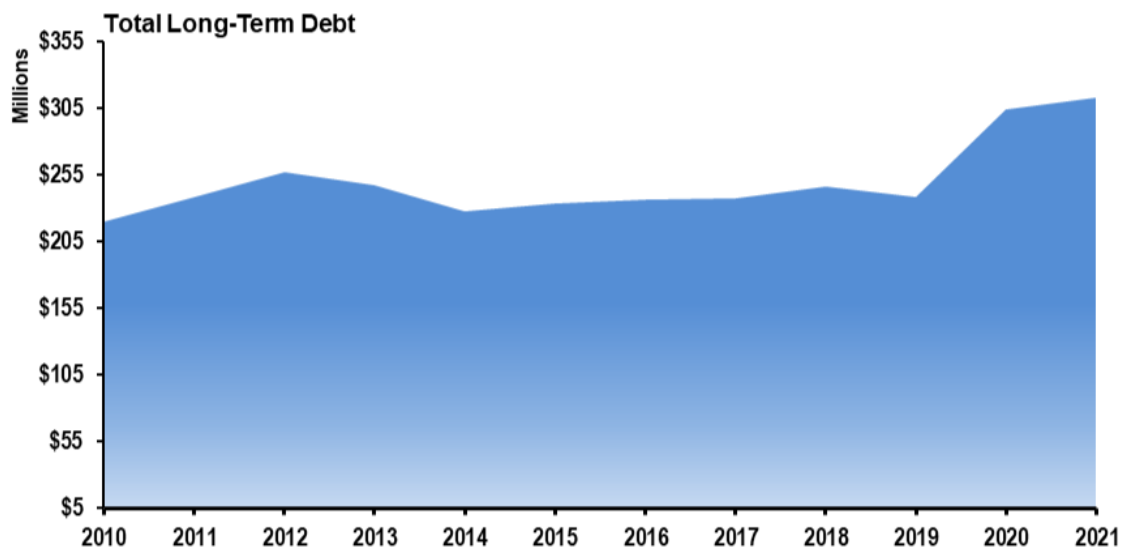
Conor Baldwin
Chief Financial Officer

Austin Ball
Deputy CFO

FINANCIAL ANALYSIS – HISTORIC LONG TERM DEBT ANALYSIS



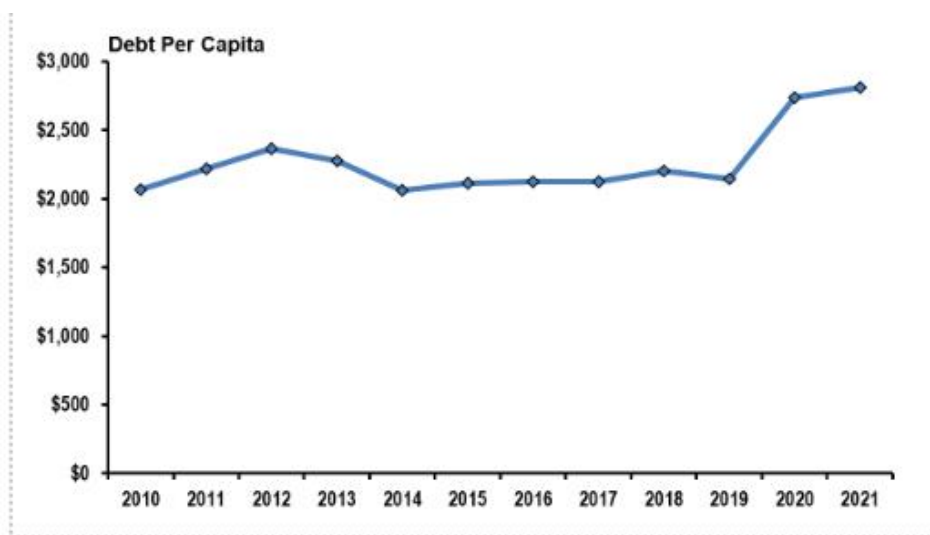
Total long-term debt in excess of 5 percent of a community's assessed valuation is generally prohibited under MGL Chapter 44 §10, and approaching this limit is often considered a warning sign by bond rating agencies. Evaluating a community's debt in this way is an indicator of both a community's overall debt burden as well as its effort in consistently investing in its capital assets. While a high debt load may be an indication of fiscal strain, low and decreasing debt may indicate underinvestment in capital assets and infrastructure.





Conor Baldwin
Chief Financial Officer

Austin Ball
Deputy CFO



Fiscal Year	Assessed Valuation	Bonds Outstanding	Population	Debt as % Assessed Valuation	Debt Per Capita
2010	\$ 6,390,673,111	\$ 220,050,595	106,519	3.44%	\$ 2,066
2011	\$ 6,149,861,125	\$ 238,410,550	107,571	3.88%	\$ 2,216
2012	\$ 6,095,108,518	\$ 256,583,545	108,522	4.21%	\$ 2,364
2013	\$ 6,082,517,858	\$ 247,590,510	108,861	4.07%	\$ 2,274
2014	\$ 6,085,685,748	\$ 227,206,056	110,235	3.73%	\$ 2,061
2015	\$ 6,332,311,813	\$ 233,750,883	110,699	3.69%	\$ 2,112
2016	\$ 6,683,928,991	\$ 236,079,708	111,250	3.53%	\$ 2,122
2017	\$ 7,090,285,250	\$ 237,392,385	111,728	3.35%	\$ 2,125
2018	\$ 7,664,201,191	\$ 246,269,331	111,670	3.21%	\$ 2,205
2019	\$ 8,187,814,400	\$ 238,383,416	110,997	2.91%	\$ 2,148
2020	\$ 9,043,323,474	\$ 303,803,103	110,997	3.36%	\$ 2,737
2021	\$ 9,848,176,600	\$ 312,607,939	111,306	3.17%	\$ 2,809

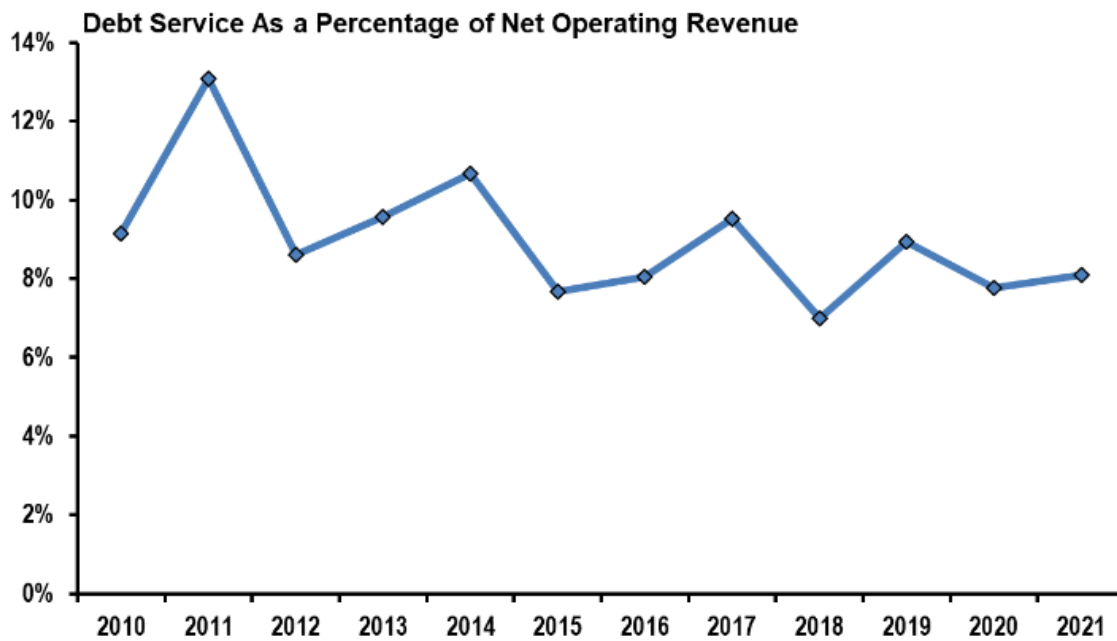
Data Source: City debt report, Municipal Databank, Statement of Indebtedness



Office of the City Manager
City Hall • 375 Merrimack Street • Lowell, MA 01852
P: 978.674.4400 • F: 978.970.4007
www.LowellMA.gov

Conor Baldwin
Chief Financial Officer

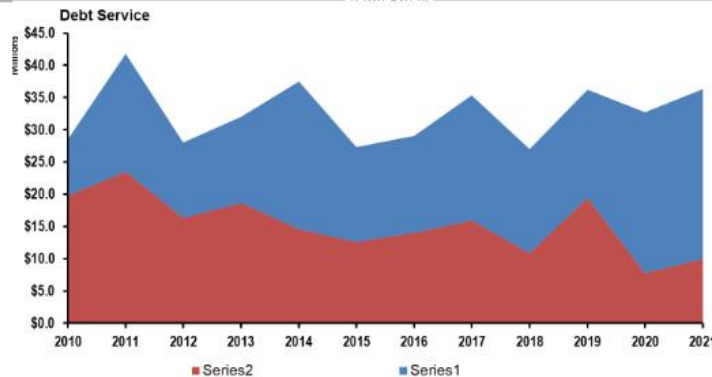
Austin Ball
Deputy CFO





Conor Baldwin
Chief Financial Officer

Austin Ball
Deputy CFO



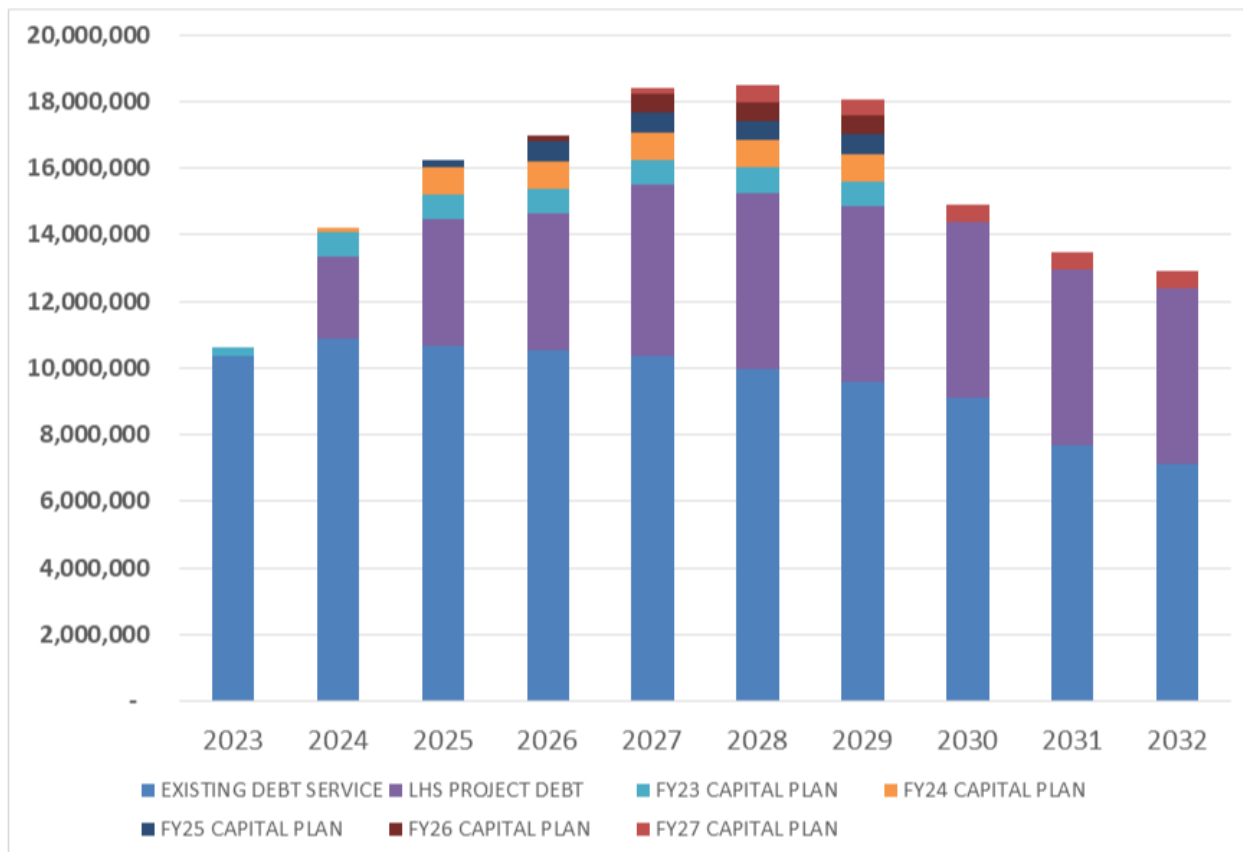
Fiscal Year					As % of Net Operating Revenue		
	Non-Exempt Debt Service	Exempt Debt Service	Total Debt Service	Operating Revenue (Nominal Dollars)	Non-Exempt	Exempt	Total
2010	\$ 8,772,837	\$ 19,749,123	\$ 28,521,960	\$ 311,614,472	2.82%	6.34%	9.15%
2011	\$ 18,282,169	\$ 23,530,310	\$ 41,812,479	\$ 319,564,905	5.72%	7.36%	13.08%
2012	\$ 11,707,044	\$ 16,360,667	\$ 28,067,711	\$ 325,858,417	3.59%	5.02%	8.61%
2013	\$ 13,354,711	\$ 18,663,538	\$ 32,018,249	\$ 334,833,448	3.99%	5.57%	9.56%
2014	\$ 22,932,844	\$ 14,554,290	\$ 37,487,134	\$ 351,338,279	6.53%	4.14%	10.67%
2015	\$ 14,706,321	\$ 12,594,257	\$ 27,300,578	\$ 355,962,520	4.13%	3.54%	7.67%
2016	\$ 15,028,717	\$ 14,029,292	\$ 29,058,009	\$ 360,734,739	4.17%	3.89%	8.06%
2017	\$ 19,445,681	\$ 15,911,406	\$ 35,357,087	\$ 371,583,434	5.23%	4.28%	9.52%
2018	\$ 16,135,296	\$ 10,854,914	\$ 26,990,210	\$ 385,434,653	4.19%	2.82%	7.00%
2019	\$ 16,720,570	\$ 19,477,934	\$ 36,198,504	\$ 405,306,163	4.13%	4.81%	8.93%
2020	\$ 24,996,632	\$ 7,738,799	\$ 32,735,431	\$ 422,128,078	5.92%	1.83%	7.75%
2021	\$ 26,336,301	\$ 9,957,758	\$ 36,294,059	\$ 448,640,572	5.87%	2.22%	8.09%

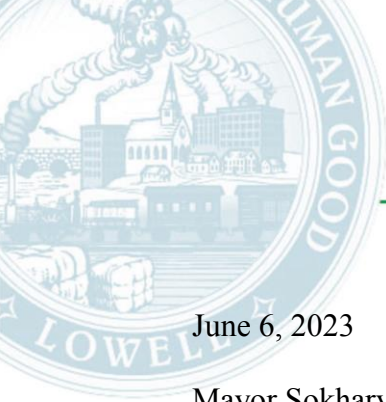
Data Source: Schedule A Reports



Conor Baldwin
Chief Financial Officer

Austin Ball
Deputy CFO





Thomas A. Golden, Jr.
City Manager

June 6, 2023

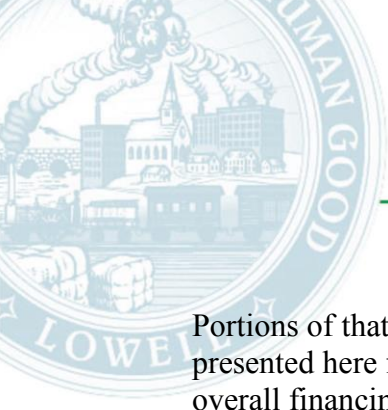
Mayor Sokhary Chau
And
Members of the Lowell City Council

Dear Mayor Chau and Members of the Lowell City Council,

The FY2024 capital plan submission represents a revamped five-year capital improvement plan (“CIP”) under my Administration. It is my intention to shift the focus of our attention and resources towards several key areas including economic development, “curb appeal”, infrastructure improvements, fiscal management, public safety, education, and quality of life in all city neighborhoods. This document and the recommendations for investments included herein are the first step in moving the City of Lowell forward. Capital assets are expensive: from planning, to construction, to operations and maintenance. Therefore, maintaining capital infrastructure in the condition necessary to preserve and enhance your community’s vitality and quality of life takes forethought and planning. This plan is a best practice in long-range capital planning, budgeting, and asset maintenance planning, which will be used by the City as a foundation to build a better Lowell for generations to come.

A capital improvement program provides a blueprint for planning a community's capital expenditures and is one of the most important responsibilities of local government officials. It coordinates community planning, financial capacity, and physical development. Decisions made during this process will have an impact on the City of Lowell and taxpayers for years to come. In order to glean the most efficient outcome from this task and arrive at decisions which include expertise from all areas, I have established a Capital Improvement Committee – comprised of the Chief Financial Officer, Deputy CFO, Assistant City Manager/ DPD Director, DPW Commissioner, City Engineer, CIO, School Business Manager, Police Superintendent, and Fire Chief. They have met to ensure citywide needs are addressed adequately through this plan. The city uses its five-year financial projections for revenue and expenditures, in addition to its five-year capital plan, to formulate budget guidelines for departments. The City has established a debt management and capital investment policy to guide the five-year plan and a copy of the policy is included each year in the presentation of the annual budget. The Committee has taken into account all relevant policy guidelines in this submission to the City Council.

The funding for the capital budget is different than that of the Annual Operating Budget. Rather than revenue from the tax levy, intergovernmental aid (such as Chapter 70 Education Aid from the Commonwealth), and other local receipts; projects funded in the capital budget are financed primarily through the sale of bonds. Typically, these bonds are issued for time periods ranging from five (5) to thirty (30) years, over the course of which the City of Lowell pays off the debt principal and interest, annually, from the general fund and are budgeted within each Annual Budget. Paying the debt over time has the advantage of allowing capital expenditures to be amortized over the life of the projects. Careful analysis is performed each year by the finance department, in concert with financial advisors and bond counsel, prior to any debt issuance.



Thomas A. Golden, Jr.
City Manager

Portions of that analysis as it relates to the current fiscal year and the 5-year outlook are presented here for informational purposes. Other financing sources, however, are also part of the overall financing plan for the capital plan. The City of Lowell has had great success securing various state and federal grants for infrastructure improvements and other capital investments. These grants from other funding sources outside of the city help mitigate the impact to the Lowell taxpayers for improvements to roads, bridges, and buildings. Without these outside funding sources, Gateway Cities like Lowell would be unable to pursue an aggressive capital campaign without overly burdening the residential taxpayers. These other funding sources, however, are not presented within the capital plan submission for approval by the City Council and the only appropriation authority requested is through the loan order for the city's share capital improvements in FY2024, specified in this submission. Other funding sources are presented for informational purposes only.

I am thankful for the diligent efforts of my staff to coordinate this worthy endeavor. Capital planning is critical component of municipal governance. Buildings, infrastructure, technology, and major equipment are the physical foundation for providing services to Lowellians. The procurement, construction, and maintenance of capital assets all require careful planning and therefore a prescribed process for prioritization of the many projects must be followed. A properly prepared capital plan—one which contains recommendations from subject matter experts at City Hall and balances fiscal realities with the desires of the residents and the direction of the City Council—is essential to the future financial health of the organization.

A message from Chief Financial Officer, Conor Baldwin analyzes the financial impact of the proposed plan on the City's operating budget, and details the process by why the Capital Improvement Committee derived the proposed list of projects included in the capital plan. While it will not be possible to fund all necessary projects in an accelerated time frame, it is important to at least consider them. In the short term, we may have to spend more from our operating budget on repair and maintenance of our equipment, vehicles and buildings. We may also need to amend the priorities of this plan as it is being implemented. It is imperative that we monitor these situations carefully and shift priorities if it appears that maintenance costs are too high relative to replacement costs.

Sincerely,

Thomas A. Golden, Jr.
City Manager

CC: Conor Baldwin, Chief Financial Officer